MEMORANDUM

WHITE HOUSE

WASHINGTON

MEMORANDUM FOR:

THE PRESIDENT

FROM:

ZBIGNIEW BRZEZINSKI

SUBJECT:

Nineteen Bilaterals: The Significance of the Treaty Signing for Inter-American Relations

Your decision to meet with all the Heads of State who would attend the signing ceremony was made to assure a good attendance. However, nineteen bilaterals provide not only a show of support, but also a unique opportunity to make genuine progress on a number of important issues.

Never before have so many American Heads of State journeyed at one time to Washington. (Coincidentally, about 20 Heads of State went to Panama in 1956 on the occasion of the 130th anniversary of the First Panama Congress, and President Johnson met with 18 Latin American Presidents at Punta del Este in 1967 to discuss the Alliance for Progress.) In spite of the short notice and the problems each leader had in planning for his meeting, many of the Latin American leaders are rushing to use this unique opportunity to press certain multilateral problems closer to resolution. Intelligence reports indicate that:

- Chile is trying to set up separate meetings with Peru and Bolivia to discuss Bolivia's request for a corridor to the sea and other matters.
- Bolivian President Banzer has requested that you meet with him and with the Presidents of Peru and Chile to discuss the question of access to the sea for Bolivia. (While we have gently told him that such a quadri-lateral was not likely, we have scheduled your meetings in such a way that would permit it to occur if it looked as if it might be fruitful. Among the three, Peru is the key, and you will be meeting with Morales Bermudez first. If some progress is made with him, then the chances are good that Pinochet, whom you will be

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meeting with next, will accept that. Then you might want to consider inviting those two leaders to sit in on part of your meeting with Banzer on Thursday.)

Probably as part of a strategy to increase Chile's international contacts, Pinochet has also requested a meeting with Argentine President Videla to discuss the simmering border dispute in the Beagle Channel, and he is trying to solicit the support of Oduber and Perez for an inter-American conference of Latin Chiefs of State to increase their influence in international politics.

Morales Bermudez has organized a meeting of the Presidents of the Andean Pact countries (Venezuela, Colombia, Ecuador, and Bolivia) to try to resolve current problems (on allocation of industries), invigorate the organization, and express strong support for the importance of regional economic integration. (Our Ambassador in Lima suggests that you use the opportunity of the meeting to issue a strong statement supporting Latin American economic integration, and I agree that such a statement would be well received, particularly since Perez, for example, still believes that we are antagonistic to Latin American efforts at integration.)

The good atmosphere generated by the signing ceremony could conceivably transform the flurry of multilateral activity into some concrete results. Of course, the reason why so many leaders are attending is not so much because they want to help us on the Canal Treaty but because they want us to help them on one issue or another. This is particularly the case with the Southern Cone countries of Argentina, Chile, Uruguay, and Paraguay, who will want to explain the "real situation of subversion" in their countries so that we can better understand the harsh measures which they have taken.

From the perspective of U.S. interests there are several objectives which can conceivably be achieved in the next few days and which would make the 19 bilaterals worth the effort. Our goals include:

#### (1) Peace-Keeping

(a) <u>Bolivean Access</u>. This is one of the most difficult and long-standing boundary disputes in the Hemisphere; it is also the most important since the problem of Bolivian access goes to

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the heart of the question, how can tensions in the region be reduced? A strategy will be suggested below, but our goals should be to express our agreement with the principle — accepted, in general, by all interested parties — of gaining a corridor to the sea for Bolivia, and our interest in contributing to a resolution of the problem.

- (b) El Salvador-Honduras. A clearly realizable goal is to try to obtain from Salvadorean President Romero a <u>public</u> assurance that his country would soon ratify the mediation agreement.
- (c) Guatemala-Belize. If President Laugerud acknowledged that he had spoken to President Carter about the Belize issue and had agreed that a quick resolution of the dispute on terms agreeable to both Guatemala, Great Britain and Belize, was a shared goal of the U.S. and Guatemala, that would be a significant advance.

### (2) Human Rights

The Southern Cone leaders will need to hear directly from you of your commitment to human rights, your willingness to recognize <u>real</u> improvements (as opposed to announcement of intention), and your preference for pursuing U.S. policy through a multilateral mechanism (e.g., the Inter-American Commission on Human Rights).

### (3) Caribbean Cooperation

If you could reach a consensus with the leaders of the Caribbean basin on the following points, then we could develop the policy in greater detail:

- -- The need to approach the problems of the region on a comprehensive basis, involving multilateral cooperation on both the donor and the recipient ends.
- -- The comprehensive approach should involve the sharing of the burden of assistance. The burden-sharing formula and the balance between bilateral and multilateral programs should be worked out in consultations between donors and recipients.
- The overall objectives of the program should be to promote more economic integration among the English-speaking countries, closer collaboration between them and such

other countries as Haiti and the Dominican Republic, and closer cooperation between them and countries such as Venezuela, Costa Rica, Mexico, the U.S., and Canada.

A meeting held at the World Bank, co-sponsored by the Bank, the Inter-American Development Bank, and the Caribbean Development Bank, and involving selected representatives from the area, should be held to decide how best to proceed in this comprehensive development effort.

#### Strategy for Day 1: Panama, Peru, Paraguay, Colombia, and Chile

Rather than duplicate the points made in the briefing papers, let me just focus on one issue — Bolivian access to the sea — and suggest a strategy for the first day for pursuing our objectives in this issue. Our objectives include: (1) reducing tensions in the area; (2) helping Bolivia get access to the sea — a very popular international cause; (3) using the resulting corridor as a kind of "cordon sanitaire" to deter Peru from any possible aggression; and (4) encouraging cooperation among the three countries in the area.

In December 1975, the Chileans made a secret offer to Bolivia of a 10 km. strip of land, which gave Bolivia access to the sea but did not include an area for a possible seaport (see Tab A). In exchange, Chile asked for some water rights and a similar amount of Bolivian territory. It is obvious that Chile's major goal was to cultivate an alliance with Bolivia against Peru and improve her security by constructing a "cordon sanitaire." Bolivia, however, wants the corridor to include the port of Arica and is opposed to giving any territory to Chile or to Peru.

By the Treaty of 1929, Chile cannot dispose of territory formerly owned by Peru without Peru's consent. When confronted with the Chilean offer,

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Peru counter-proposed that Chile give the strip of land with a joint Peruvian-Chilean-Bolivian condominium zone at the Pacific end of the corridor as well as a trinational port authority in Arica. Chile immediately rejected the proposal, as Peru had probably guessed it would.

The key to a settlement is Peru, which probably has not yet given up its hopes of reconquering the territory it lost in the War of the Pacific 100 years ago. Peru publicly supports Bolivia's claim, but its proposal was so unrealistic that one can infer that it is not eager to settle.

A respectable compromise proposal might include the 10 km. corridor which leads into a neutral free port at Arica. But we probably want to avoid suggesting a proposal as specific as that.

We are, however, in a position to exercise considerable influence. Morales Bermudez sent you a long letter on August 27th with a rather detailed analysis of the Peruvian economy and description of a proposed fiscal program. He has said that he considers your meeting of "great significance" and contrasts that with your other meetings, which he described as "protocolary." He has come to ask for your support in getting an IMF stand-by loan, and believes U.S. support is determining since in his mind we totally dominate the IMF. You might tell him that his observation is incorrect; the IMF is an international organization, and we are only one — albeit, a most powerful one, member. Since Morales' economic program is quite sound, and he will probably obtain the kind of support he needs even without our help, you might want to subtly link the IMF issue to our concern over the corridor.

On the IMF issue, you might want to say that you understand that Secretary Blumenthal will be meeting with President Morales Bermudez, that you look sympathetically on Peru's great concern, and that you will ask our representative to the IMF to convey our assessment of the situation and our concerns for Peru. On the other hand, the IMF is not our organization, but an international one. On the Bolivian access issue, you might want to offer our good offices alone or with Venezuela.

If the Peruvians respond positively, you will want to discuss this issue with Pinochet, although you will probably want to devote much of the time to human rights.

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#### American States! Reaction

#### Box Score

I.	Likely to	sign:	п.	Reply s	till pending:
	1.	Colombia		1.	Argentina
	2.	Costa Rica		2.	Bahamas
	3.	Dominican Republic		3.	Barbados
	4.	Ecuador		4.	Bolivia
	5.	El Salvador		5.	Paraguay
	6.	Guatemala	-	6.	Trinidad
	7.	Haiti		7.	Surinam
	8.	Honduras			
	9.	Jamaica			
	10.	Nicaragua			
	11.	Peru	ш.	Unable	to sign:
	12.	Grenada		•	
	13.	Uruguay		1.	Canada
	14.	Venezuela		2.	Mexico
	15.	Guyana			
	16.	Chile			
	17.	Brazil			

Reaction of OAS Observer and Major Maritime Nations

Inclined to sign:

Sweden UK

#### Denmark Egypt Greece (in principle) Italy Israel France Norway Liberia Portugal (tentative) Netherlands Spain

Prepared to issue supporting public statements:

Belgium Japan Germany	Change to Change ( ) Exsise ( ) Deputy			
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	With concurrence of:  IPS by Obtained Date (The Lot)			
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Replies pending:

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